BEFORE THE BOARD OF OIL, GAS AND MINING DEPARTMENT OF NATURAL RESOURCES STATE OF UTAH

IN THE MATTER OF THE REQUEST FOR AGENCY ACTION OF SUN-WEST OIL & GAS, INC. FOR AN INVESTIGATION AND NEGOTIATION CONFERENCE REGARDING ALLEGATIONS OF BREACH OF OPERATING AGREEMENT FOR THE NIELSON 1-20B1 WELL IN SECTION 20, TOWNSHIP 2 SOUTH, RANGE 1 WEST, USM, DUCHESNE COUNTY, UTAH, BY RESPONDENT, CRAIG PHILLIPS DBA UINTA OIL & GAS, MOUNTAIN OIL, INC. AND HOMELAND GAS AND OIL, INC.

NOTICE OF HEARING

Docket No. 2016-008 Cause No. 131-144

THE STATE OF UTAH TO ALL PERSONS INTERESTED IN THE FOLLOWING MATTER.

Notice is hereby given that the Board of Oil, Gas and Mining ("Board"), State of Utah, will conduct a hearing on WEDNESDAY, APRIL 27, 2016, at 10:00 AM, or as soon thereafter as possible, in the auditorium of the Department of Natural Resources, 1594 West North Temple, Salt Lake City, Utah. The hearing will be streamed live on the Department of Natural Resources YouTube channel at https://youtu.be/OBYlmoztBDM.

The hearing will be conducted as a formal administrative adjudication in accordance with the rules of the Board as set forth in Utah Administrative Code R641 et seq., and as provided for in Utah Code Ann. § 40-6-1 et seq., and Utah Code Ann. § 63G-4-101 through 601.

The purpose of the proceeding will be for the Board to:

1. Set the matter for investigation and negotiation by the Division within 60 days pursuant to Utah Code Ann. § 40-6-9.

2. Receive the report of the Division at the end of 60 days as to whether the matter can be resolved by negotiation, and if necessary, set the matter for additional hearing.

If set for additional hearing, the Board may receive evidence and testimony to:

- 1. Determine whether Craig Phillips dba Uinta Oil & Gas, Mountain Oil, Inc. and Homeland Gas and Oil, Inc., or Sonat Exploration Company is the legal operator of the Nielson 1-20B1 well, located in Section 20, Township 2 South, Range 1 West, USM, Duchesne County, Utah;
- 2. Determine whether an order requiring proper disbursement of proceeds, including applicable penalties and interest due and payable, should be entered in accordance with Utah Code Ann. § 40-6-9.
 - 3. Provide such other relief as may be just and proper under the circumstances.

Objections to the Request for Agency Action must be filed with the Secretary of the Board at the address listed below no later than April 11, 2016. A party must file a timely written objection or other response in order to participate as a party at the Board hearing. Failure to participate can result in a default judgment.

Natural persons may appear and represent themselves before the Board. All other representation of parties before the Board will be by attorneys licensed to practice law in the State of Utah, or attorneys licensed to practice law in another jurisdiction which meet the rules of the Utah State Bar for practicing law before the Utah Courts.

Persons interested in this matter may participate pursuant to the procedural rules of the Board. The Request for Agency Action, and any subsequent pleadings, may be inspected at the office of the undersigned, and inspected online at the Utah Board of Oil, Gas and Mining's website at http://ogm.utah.gov/amr/boardtemp/redesign/books.html.

Pursuant to the Americans with Disabilities Act, persons requiring auxiliary communicative aids and services to enable them to participate in this hearing should call Julie Ann Carter at (801) 538-5277, at least three working days prior to the hearing date.

DATED this 29th day of March, 2016.

STATE OF UTAH BOARD OF OIL, GAS AND MINING Ruland J. Gill, Jr., Chairman

Is/Julie Ann Carter

Board Secretary

1594 West North Temple, Suite 1210

Salt Lake City, Utah 84116

(801) 538-5277

CERTIFICATE OF PUBLISHED NOTICE

I hereby certify that I caused a true and correct copy of the foregoing NOTICE OF HEARING for Docket No. 2016-008 Cause No. 131-144 to be PUBLISHED in the following newspapers on the following days:

April 3, 2016:

<u>The Salt Lake Tribune</u> and <u>Deseret Morning News</u>, newspapers of general circulation in Salt Lake City and County.

April 5, 2016:

<u>Uintah Basin Standard</u>, a newspaper of general circulation in Duchesne and Uintah Counties.

) li E Am Cartar

CERTIFICATE OF SERVICE

I hereby certify that on this 29th day of March, 2016, I caused a true and correct copy of the foregoing **NOTICE OF HEARING** for Docket No. 2016-008 Cause No. 131-144, to be mailed by Email or via First Class Mail with postage prepaid, to the following:

The Petitioner

Nelson Spear Sun West Oil & Gas, Inc. P.O. Box 1684 Midand, Texas 79702

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Steven F. Alder
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Assistant Attorneys General representing the Division of Oil, Gas and Mining

The Respondent

Craig Phillips Homeland Gas and Oil LTD P.O. Box 1776 Roosevelt, Utah 84066

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Assistant Attorney General representing the Board of Oil, Gas and Mining

Julie Am Carte